

**MISSOURI STATE AUDITOR'S OFFICE
FISCAL NOTE (16-064)**

Subject

Initiative petition from John Ashcroft regarding a proposed constitutional amendment to Article VIII. (Received May 21, 2015)

Date

June 10, 2015

Description

This proposal would amend Article VIII of the Missouri Constitution.

The amendment is to be voted on in November 2016.

Public comments and other input

The State Auditor's office requested input from the **Attorney General's office**, the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety**, the **Department of Social Services**, the **Governor's office**, the **Missouri House of Representatives**, the **Department of Conservation**, the **Department of Transportation**, the **Office of Administration**, the **Office of State Courts Administrator**, the **Missouri Senate**, the **Secretary of State's office**, the **Office of the State Public Defender**, the **State Treasurer's office**, **Adair County**, **Boone County**, **Callaway County**, **Cass County**, **Clay County**, **Cole County**, **Greene County**, **Jackson County Legislators**, **Jasper County**, **St. Charles County**, **St. Louis County**, **Taney County**, the **City of Cape Girardeau**, the **City of Columbia**, the **City of Jefferson**, the **City of Joplin**, the **City of Kansas City**, the **City of Kirksville**, the **City of Mexico**, the **City of Raymore**, the **City of St. Joseph**, the **City of St. Louis**, the **City of Springfield**, the **City of Union**, the **City of Wentzville**, the **City of West Plains**, **Cape Girardeau 63 School District**, **Hannibal 60 School District**, **State Technical College of Missouri**, **Metropolitan Community College**, **University of Missouri**, and **St. Louis Community College**.

Assumptions

Officials from the **Attorney General's office** indicated they assume that any potential costs arising from the adoption of this proposal can be absorbed with existing resources.

Officials from the **Department of Economic Development** indicated no impact for their department.

Officials from the **Department of Elementary and Secondary Education** indicated this legislation does not impact their department or local schools.

Officials from the **Department of Higher Education** indicated this initiative petition would not have a direct fiscal impact on their department.

Officials from the **Department of Health and Senior Services** indicated:

This language may have an impact on local public health agencies. Individuals may obtain a copy of their certified birth certificate through a local public health agency. The cost is \$15 per birth certificate; however, the revenue generated is retained by the local health agency for local public health purposes.

The proposed language could result in an increase in revenue to General Revenue, the Children's Trust Fund, the Endowed Care Cemetery Audit Fund, and the Missouri Public Health Services Fund.

The fee for a certified copy of a birth certificate is \$15.00. This revenue is divided between four funds. Funds affected include the Children's Trust Fund, which would collect \$5.00 per certificate; General Revenue would collect \$4.00 per certificate; the Endowed Care Cemetery Audit Fund would collect \$1.00 per certificate; and the Missouri Public Health Services Fund (MOPHS) would collect \$5.00 per certificate. There is an additional \$15.00 fee to establish a delayed birth record, in which revenue is distributed using this same distribution. The Department of Health and Senior Services is unable to determine how many additional birth certificates will be issued as a result of this language, and therefore, assumes an unknown amount of revenue will be deposited in these funds.

Individuals may also obtain a certified copy of their birth certificate at a local public health agency. The cost is still the same; however, the revenue generated is retained by the local public health agency for local public health purposes. This revenue is not considered state revenue.

Section 8 of the proposed initiative petition may require voters to establish their identity and eligibility to vote by providing a form of personal identification to election officials. It may cause an increase in the number of certified birth certificates issued for those without a Missouri driver's license or non-driver's license. It could also impact the number of applicants for delayed birth certificates.

Section 8 of the proposed initiative petition may require voters to establish their identity and eligibility to vote by providing a form of personal identification to election officials. If an individual does not possess a valid form of personal identification, it may require them to obtain a copy of his/her certified birth certificate to acquire a driver's or non-

driver's license. For individuals whose birth has not been recorded, it may cause them to apply for a delayed birth certificate. It is unknown and difficult to estimate the number that might be required to apply to the Bureau of Vital Records for these records.

The proposed language does not appear to exempt the Department of Health and Senior Services from collecting the necessary fees for copies of certified birth certificates as set forth in Section 193.265.1, RSMo. The proposed language could result in an unknown increase in revenue to General Revenue, the Children's Trust Fund, the Endowed Care Cemetery Audit Fund, and the Missouri Public Health Service Fund. The proposed language could also result in an unknown impact to the Bureau of Vital Records to issue the increased demand for birth certificate records.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** indicated this petition, if passed, will have no cost or savings to their department.

Officials from the **Department of Mental Health** indicated this proposal creates no direct obligations or requirements to their department that would result in a fiscal impact.

Officials from the **Department of Natural Resources** indicated they would not anticipate a direct fiscal impact from this proposal.

Officials from the **Department of Corrections** indicated no impact.

Officials from the **Department of Labor and Industrial Relations** indicated no fiscal impact on their department.

Officials from the **Department of Revenue** indicated this initiative petition will not have a fiscal impact on their department. Their department does not indicate on the driver license, non-driver license or permit that the individual is a U.S. Citizen or Non-U.S. Citizen.

Officials from the **Department of Public Safety** indicated they see no fiscal impact due to this initiative petition.

Officials from the **Department of Social Services** indicated no fiscal impact on their agency.

Officials from the **Governor's office** indicated there should be no added costs or savings to their office.

Officials from the **Missouri House of Representatives** indicated no fiscal impact to their office.

Officials from the **Department of Conservation** indicated that no adverse fiscal impact to their department would be expected as a result of this proposal.

Officials from the **Office of Administration** indicated this proposal will have no impact on their office.

Officials from the **Office of State Courts Administrator** indicated there is no fiscal impact on the courts.

Officials from the **Missouri Senate** indicated no fiscal impact on their office.

Officials from the **Secretary of State's office** indicated:

For the purposes of this fiscal note, the following costs assume that both the constitutional amendment proposed by this initiative petition and any companion statutory changes are passed.

Implementation of any new identification provisions would necessitate the state's election authority (the Secretary of State) and/or local election authorities to provide advance notice.

For fiscal year 2017 advance notice advertisements will be provided upon approval by the voters of the constitutional amendment and enactment of implementing legislation and prior to the April 2017 election. For fiscal year 2018 advance notice advertisements will be provided to voters prior to the February and April 2018 elections. For fiscal year 2019 advance notice advertisements will be provided to voters prior to the August 2018 and November 2018 elections. For all subsequent years advance notice advertisements will be provided to voters prior to each federal primary and general election.

Assumptions include:

Production of radio and TV public service announcements- \$2,000

Print ad to run twice before an election- \$203,284

Cable television ad to run twice every day for eight weeks- \$299,472

TV and Radio ad to run through broadcast media- \$497,311

Total- \$1,002,067

Upon enactment of implementing legislation, the Secretary of State will send a mailer to all registered voters to notify them of any new identification requirements at a cost of \$1,985,577.51. A similar mailer will be sent before the 2018 Primary Election. For all other elections, their office will send mailings to newly registered voters prior to each election. Based on the estimated 355,007 newly registered voters in 2014, this mailer could cost \$173,953.43.

Mailing to all registered voters:

4,089,038 registered voters x \$0.49 postage, printing and processing=
\$1,985,577.51

Mailing to newly registered voters prior to each election:

355,007 new registered voters x \$0.49 postage, printing and processing = \$173,953.43

Implementation of this measure's provisions imposes new requirements on election authorities in notifications, additional provisional ballots, trainings, affidavits and processes with regard to notifying and processing voters. Whether the notice requirements fall on the Secretary of State or local election authorities, it will be necessary for their office to request appropriation for these costs. Section 115.430 RSMo requires the Secretary of State to provide provisional ballot envelopes to local election authorities. This amendment and any companion legislation will likely increase the number of elections in which provisional ballots are available and the number of provisional ballots that will be cast. Based on previous history, the Secretary of State will require additional funding for printing provisional ballot envelopes in the amount of \$9,800 per election.

Furthermore, any new state mandates must be funded as additional responsibilities under Article X, section 21 of the Missouri Constitution.

These provisions are not limited to statewide elections but will affect every election. The cost per fiscal year will vary based on the number of elections held. In addition to the general municipal election each April and the primary and general elections in August and November of even numbered years, there are additional days available for public elections in February, March and in August and November of odd numbered years, which are used only as needed.

Their office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Their office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. Through FY 2013, the appropriation had historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue). In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation and their office was appropriated \$1.19 million to publish the full text of the measures. Due to this reduced funding, their office reduced the scope of the publication of these measures. In FY 2015, at the August and November elections, there were 9 statewide Constitutional Amendments or ballot propositions that cost \$1.1 million to publish (an average of \$122,000 per issue). Despite the FY 2015 reduction, their office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, we reserve the right to request

funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Additionally, any companion legislation may include provisions allowing or requiring agencies to submit rules and regulations to implement the act. Their office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislation session. The fiscal impact to the Administrative Rules Division for their office for this requirement is less than \$2,500. Their office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, they reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

FY 2017:

April 2017

\$1,985,577.51 (Notice to all voters)

\$1,002,067 (Public advertisements)

\$9,800 (Provisional ballots)

\$2,997,444.51 (FY 2017 Total)

FY 2018:

February 2018

\$1,002,067 (Public advertisements)

\$9,800 (Provisional ballots)

April 2018

\$1,002,067 (Public advertisements)

\$9,800 (Provisional ballots)

+ \$173,953.43 (notice to newly registered voters)

\$2,197,687.43 (FY 2018 Total)

FY 2019:

August 2018

\$1,985,577.51 (notice to all voters)

\$1,002,067 (public advertisements)

\$9,800 (provisional ballots)

November 2018

\$1,002,067 (Public advertisements)

\$9,800 (provisional ballots)

+ 173,953.43 (notice to newly registered voters)

\$4,183,264.94 (FY 2019 total)

Officials from the **Office of the State Public Defender** indicated this initiative petition will not have any substantial impact on their office.

Officials from the **State Treasurer's office** indicated no fiscal impact to their office.

Officials from **Greene County** indicated there are no estimated costs or savings to report from their county for this initiative petition.

Officials from the **City of Columbia** indicated they do not expect a fiscal impact to their city from this proposed amendment.

Officials from the **City of Kansas City** indicated this initiative petition has no fiscal impact on their city.

Officials from **Metropolitan Community College** indicated there is no anticipated impact for their college.

The State Auditor's office did not receive a response from the **Department of Agriculture, the Department of Transportation, Adair County, Boone County, Callaway County, Cass County, Clay County, Cole County, Jackson County Legislators, Jasper County, St. Charles County, St. Louis County, Taney County, the City of Cape Girardeau, the City of Jefferson, the City of Joplin, the City of Kirksville, the City of Mexico, the City of Raymore, the City of St. Joseph, the City of St. Louis, the City of Springfield, the City of Union, the City of Wentzville, the City of West Plains, Cape Girardeau 63 School District, Hannibal 60 School District, State Technical College of Missouri, University of Missouri, St. Louis Community College**

Fiscal Note Summary

The proposal will result in no direct costs or savings for state and local governmental entities. If the state legislature passes a general law as allowed by this proposal the potential costs or savings would be based on the legislation established, which is unknown at this time.